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520 BROADWAY
SUITE 350
SANTA MONICA, CA 90401

EXAMINER	
D'AGOSTINO, PAUL ANTHONY	
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Please find below and/or attached an Office communication concerning this application or proceeding.

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10/766,656
Filing Date: January 27, 2004
Appellant(s): WRIGHT, ROBERT J.

Samuel K. Sompson
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 8/13/2008 appealing from the Office action mailed 3/26/2008

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: Change Walker et al. 6,869,363 to Walker et al. 6,869,362.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,840,857	Ghela	1-2005
6,869,362	Walker et al.	3-2005

(9) Grounds of Rejection

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the Appellant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the Appellant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-9, 12-21, 24-26, 53-59, 62-64 and 67-75 are rejected under 35 U.S.C. 102(e) as being anticipated by Ghela (US Patent 6,840,857). Regarding at least claims 1, 2, 8, 9, 13, 14, 20, 21, 25, 26, 53, 58, 59 and 63, Ghela discloses guaranteeing payment of a prize in a game of chance, specifically a ticket lottery (col. 2, lines 37-42), in exchange for a percentage of ticket says (player purchasing the insured ticket); the guarantee occurs before the revenue because the ticket is marketed as guaranteed (insured) before the purchase; then the operator would receive the revenue or ticket purchase price (col. 2, lines 51-58); the guarantee is effectuated to a jurisdiction, that being the state or organization running the lottery; Ghela discloses this guarantee is insurance which is assuming some form of risk, as all insurance does; regarding the idea of a receiving system for receiving revenue, it is inherent that a sale of anything requires the receiving of a consideration, in this case ticket revenue, on the part of the selling party.

Regarding at least claims 3-5, 15-17 and 54-56, Ghela discloses the prize as being a jackpot (col. 2, line 40), a portion of the jackpot (a portion including 100%); a secondary prize being the additional tax payments (col. 4, line 62- col. 5, line 5).

Regarding at least claims 6, 7, 18, 19 and 57, Ghela discloses that the very concept of a lottery is the prize can be much larger than the revenue collected (col. 1, lines 10-15).

Regarding at least claims 12, 24 and 62, Ghela discloses that this lottery can be conducted with tickets purchased at some point of sale (col. 1, lines 10-15).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.\

Claims 35, 36, 40-44, 65 and 66 are rejected under 35 U.S.C. 103(a) as

being unpatentable over Ghela (US Patent 6,840,857).

Regarding claims 35, 36 and 40-44, Ghela discloses all of the claimed limitations as described above in a manual fashion. According to MPEP 2144.04 III and In re Venner, the court held that broadly providing an automatic or mechanical means to replace a manual activity which accomplished the same result is not sufficient to distinguish over the prior art.

Regarding claims 65 and 66, Ghela fails to explicitly disclose offering a prize at a minimum predetermined amount, exceeded if sales of tickets exceed a threshold. However, these features were well known to have been used in lotteries at the time the invention was made and thus would have been obvious to one of ordinary skill in the art at the time of the invention.

Claims 10, 11, 22, 23, 27-34, 37-39, 60 and 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ghela (US Patent 6,840,857) in further view of Walker et al. (US Patent 6,869,362).

Ghela discloses the limitations of claims 1, 14, 26 and 53 as above. Ghela does not explicitly disclose a video lottery terminal, connection to the Internet, poker, blackjack, slot machines, casinos, or wide or local area networks.

Walker discloses these features at column 1, lines 22-36 and column 4, line 64 through column 5, line 7.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the features of Walker with Ghela in order to incorporate more games of chance as taught by Ghela (col. 1, lines 11-12).

Claims 45-52 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Patent 6,869,362) in view of Ghela (US Patent 6,840,857).

Walker discloses transmitting a guarantee over a network, that guarantee is in exchange for a percentage of a wager, specifically whatever percentage of the wager constitutes the insurance (Abs, fig. 1,2 and 10A); an item that receives the guarantee (fig. 13, features 1330 and 1355), and an item that performs a game of chance for the player in a gaming machine (fig. 1); local and wide networks as well as the internet (col. 4, line 64- col. 5, line 7). However, Walker fails to specifically disclose guaranteeing a prize but instead insuring losses, although based on publicly held rates of return insuring a loss could be thought of as guaranteeing a win.

Ghela specifically discloses guaranteeing that a prize will be paid.

It would have been obvious to combine this concept from Ghela with the insurance system in Walker. Both systems distribute risk, specifically here, in who pays what prizes. By combining the systems Walker would better be able to protect certain customer assets while still improving revenue as taught extensively throughout both Ghela and Walker.

(10) Response to Argument

The following ground(s) of rejection are applicable to the appealed claims:

a. Appellant's arguments filed 8/13/2008 have been fully considered but they are not persuasive. Appellant argues (see Appellant's Reply Brief pages 9-11) that the risk to be assumed is that of a particular entity of a lottery and not of a player and that Ghela does not teach assuming the risk of a lottery. In addition, Ghela actually increases the

risk rather than removes the risk to a lottery. Examiner respectfully disagrees. The claims, given the broadest reasonable interpretation and read in the light of the specification, broadly read on lottery risk in general. Ghela discloses lottery risk whereby a player may purchase insured tickets (Col. 2 Lines 35-36). Assuming that the lottery itself is either self-insured or acquired insurance itself is implied as to operate at several echelons to properly execute a guarantee. Thus, the rejection of the claims is maintained

b. Appellant argues (see Appellant's Reply Brief pages 11-12) that Ghela teaches that insurance is provided after and not before a ticket sale. Examiner respectfully disagrees. A lottery necessarily must ensure the ability to deliver services before making an offer to the public at large. In Ghela, one can reasonably assume that the lottery has secured the ability to guarantee players a payoff before making the offer to mark an insurance box on a lottery selection sheet. Thus, Appellant's argument is misplaced in that the lottery already has its guarantee in place prior to a sale of a ticket to a player. It is not the players choice of insurance that invokes the guarantee. Thus the rejection of the claims is maintained.

c. Appellant argues (see Appellant's Reply Brief pages 12-14) that with respect to Claim 6, Ghela is directed to a completely different risk. Examiner respectfully disagrees. As explained previously, Examiner reasonably interprets the claims to not be only directed to lottery-provider risk. Further, Appellant argues that Ghela does not teach that the purpose of the guarantee is to cover situations when the ticket sales revenue is not greater than the payment of the prize. Examiner respectfully disagrees.

Ghela is viewed for all that it teaches and one skilled in the art would reasonably know that what is implicitly taught in Ghela is that the ability to honor all payoffs in a function of the solvency of the lottery provider. This solvency comes from the ability to take in more than what is has to pay out. This is not such a strained analysis to arrive at the conclusion that total sales must exceed total prize payouts. Since Ghela is not limited to player risk and the guarantee in light of Ghela implicitly covers the claimed reason for the need for a guarantee, the rejection of the claims is maintained.

d. Appellant argues (see Appellant's Reply Brief page 14) that Ghela provides insurance to a player and not to a jurisdiction. Examiner respectfully disagrees. Claim 8 is directed to the guarantee being in effect in a jurisdiction. Ghela (Col. 5 Lines 30-36) provides information to a player about the lottery operator reasonably to inform the player as to the limits of the lottery's authority and the rules that it is subject to. Thus, it is reasonable to conclude that Ghela discloses where the guarantee is in effect. Thus, the rejection of the claims is maintained.

e. Appellant argues (see Appellant's Reply Brief page 14) that with respect to Claim 9, Ghela does not teach an assumption of a risk of a lottery and a guarantee that assumes that risk. Examiner respectfully disagrees and refers Appellant back to the preceding sections wherein both the general nature of the risk as claimed and the implicit teachings of Ghela anticipate Appellant's claims.

f. Appellant argues (see Appellant's Reply Brief pages 15-16) with respect to Claim 35-36, 40-44, and 64-66 that Ghela requires a lottery already be established. Examiner respectfully disagrees. As previously explained, it is reasonably concluded

from Ghela that the infrastructure of a lottery system is already in place and guarantees (insurance to the lottery itself) is in place before what is explicitly disclosed in Ghela as it relates to the players ability to acquire insurance. Thus, the rejection of Claim 64 is maintained.

g. Appellant argues (see Appellant's Reply Brief page 17) that a particular assertion is not supported by the Examiner. Examiner respectfully disagrees as to the merit of this argument since the support is in Ghela and Examiner has provided a proper reason to combine the references. Thus the rejection of the claims is maintained.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Paul A. D'Agostino/

Examiner, Art Unit 3714

Conferees:

/John M Hotaling II/

Supervisory Patent Examiner, Art Unit 3714

/Scott E. Jones/

Primary Examiner, Art Unit 3714